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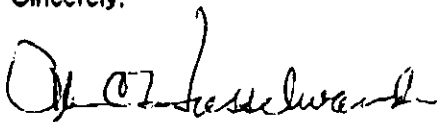
Lawrence E. Strickling
Chief, Common Carrier Bureau
Federal Communications Commission
The Portals
445 Twelfth Street, SW
Washington, D.C. 20554

Dear Mr. Strickling:

In the Notice of Proposed Rulemaking in CC Docket No. 99-200, *In the Matter of Number Resource Optimization*, released June 2, 1999 the North American Numbering Council (NANC) was asked in Paragraph 38 to make recommendations regarding which, if any of the measures discussed in Section IV of the Notice should be adopted as FCC Rules. In Paragraph 90 of that same Notice the NANC was asked to provide a progress report on its work concerning the auditing of the North American Numbering Plan Administrator (NANPA) and service providers with respect to number administration.

In response to those requests I have enclosed two reports, North American Numbering Council Docket 99-200, Paragraph 38 and NANC Audits Report in response to Paragraph 90 in the FCC NPRM CC Docket No. 99-200 on Number Resource Optimization.

Sincerely,



Alan C. Hasselwander

Chairman, North American Numbering Council

cc: Yog R. Vanna, Diane Hannon, Jared Carlson, Jeannie Grimes, John Hoffman, Ron Binz

North American Numbering Council
Docket 99-200, Paragraph 38

Version Adopted by the NANC on August 24, 1999

Background

A NANC Issues Management Group (IMG) was created at the June NANC meeting to make recommendations for the NANC's review at its August Meeting regarding a question contained in the Number Resource Optimization NPRM Docket 99-200. In Paragraph 38, the FCC asked the NANC to make recommendations regarding which, if any of the measures discussed in Section IV should be adopted as FCC Rules. The IMG has prepared the following recommendation, identifying a required rule-set describing activities necessary to ensure the use of numbering resources is aligned with the goals of the industry, namely, the efficient use of numbering resources.

The activities recommended herein seek to facilitate the appropriate administration of numbering resources. Service providers (SPs) must be obligated, as a condition for assignment and continued use of numbering resources, to provide when requested, accurate and timely forecast, utilization and audit data. There is no reliable substitute for 100% SP participation since forecasted demand and utilization data are necessary to verify the need for numbering resources – a crucial NANPA function necessary to ensure the continued availability and appropriate use of numbering resources.

At a minimum, SPs and the NANPA must be required to participate in activities described today as COCUS, the Months to Exhaust Worksheets, Audits and the CO Code Application Part IV Form. The participation by all SPs in these activities, as well as the maintenance and sharing of related records during an Audit - where an SP will be asked to substantiate, per the guidelines, its need for numbering resources - was viewed as paramount by the numbering experts who participated in the NANC's IMG.

IMG Recommendations for Consideration by the NANC

The IMG's recommendations include a minimum rule-set and standards for measuring SP compliance. The minimum rule-set represents the recommended activities that need to be enforceable by the FCC and/or its designee. This minimum rule-set should be viewed as the test(s) for which the burden of proof rests solely on an SP before it may be entitled to retain or, be assigned new numbering resources.

Recommendation for Administrative Rules and NANPA's Role

The IMG agreed that NANPA's duty to determine an SP's compliance with the guidelines/FCC rules is much clearer than its authority to take any corrective action. Currently, there is little the NANPA can do (to withhold numbering resources) to ensure efficient allocation of those resources. The IMG agreed that the NANPA should have FCC-delegated authority to withhold numbering resources when an SP is found not to be in compliance with specific FCC rules. The IMG also concluded it was necessary to identify a required "rule-set" and to differentiate the NANPA's role from the FCC's role absent the FCC's delegation of authority to the NANPA to withhold and reclaim numbering resources from non-compliant SPs.

A - Recommended Required Rule-Set

The IMG agreed that SPs must be required to provide timely data (including, forecast and/or utilization data) in accordance with industry endorsed, e.g., INC, definitions and guideline instructions.

1. NANP Exhaust Forecasting, e.g., COCUS.
2. NPA Relief and Jeopardy Relief Planning, e.g., jeopardy COCUS.
3. Ascertaining SP Need for Resources, e.g., Months to Exhaust (MTE) Worksheets.
4. Confirmation of Code Use, e.g., Part IV form in the Central Office Code Assignment Guidelines.

5. Audits. An SP must:

- ◆ retain underlying data used when calculating the quantities of TNs included in its submissions (i.e., COCUS, MTE)
- ◆ participate in audits with the NANPA and/or the FCC's designated neutral third party, e.g., specific instances where it has been determined the NANPA does not have the ability to audit an SP objectively.
- ◆ Prepare plans and implement them to address deficiencies identified during the audit.

The IMG agreed that when participating in the five administrative activities recommended by the IMG as the required rule-set shown above, all SPs must also be required to comply with the following:

- ◆ SPs are required to retain underlying data used when calculating the quantities of numbers included in their submissions.
- ◆ SP must provide timely data at the specified frequency.
- ◆ SPs must calculate the quantities of TNs displayed in its submissions using the Uniform Number Status Definitions identified in the associated instructions/guideline.

B – NANPA's Role in Determining an SPs Compliance

If an SP fails to demonstrate that it is in complete compliance with FCC Rules and/or regulations, the NANPA must classify that SP as being in violation of FCC Rules. Upon the determination by the NANPA of a violation, the appropriate designated authority must be notified by the NANPA in writing.

If authority to withhold or reclaim numbering resources has not been delegated to the NANPA, where SPs are not in compliance with FCC Rules, it is recommended that the FCC initiate the following activities:

1. direct the NANPA to deny the SP's request(s) for numbering resources.
2. direct the NANPA to suspend any action on the assignment until the SP has completed activities necessary to completely alleviate the violation.
3. direct the SP to return and the NANPA to reclaim the resource if said resource is not brought into compliance.

C - NANPA Role in Maintaining Written Records/Notification of a Violation

The NANPA must create and keep a record of all violations and their disposition. A description of the violation, the corrective action taken by the SP and the NANPA's reasoning for denying and/or assigning the resource is recorded for review by the FCC (or the appropriate regulatory authority) and for Audit purposes. The record must include a description of any verbal or written correspondence which indicates any action taken which could reduce the NANPA's ability to perform its duty objectively and properly.

Recommendation for Administrative Principles

The IMG recommends all of the following items be adopted as guiding principles by industry fora and where appropriate, reflected in relevant guidelines and procedures.

The IMG agreed that Audits should not be burdensome to any SP or group of SPs and to this end, that audits should be conducted using one set of audit guidelines and procedures, irrespective of who is conducting the audit.

The IMG did not address whether state regulators should be delegated authority by the FCC to conduct audits. If independent State action is deemed permissible, the IMG feels the use of one uniform set of audit procedures and criteria will eliminate duplicate audits, ensure audits are performed uniformly across all SPs and jurisdictions and be easily understood by SPs and Regulators alike.

The IMG agreed that it is necessary that the NANPA notify the FCC (or the appropriate regulatory authority) in writing of its assignment of a numbering resource, when in the NANPA's experience, the continued practice of the activity observed may be problematic. The IMG did not go so far as to recommend or suggest that the NANPA deny codes using criteria which may be perceived as judgmental. However, the IMG feels the NANPA, as the expert number administrator directed to uphold the policy and procedure, is obligated to inform the FCC (or the appropriate regulatory authority) of these situations.

If the NANPA becomes aware of a condition which is not in compliance with the guidelines or, is counter to either the spirit of the guidelines or threatens the efficient use of numbering resources - even though there exists no guideline that explicitly contains a test for compliance - the IMG feels it is important that the NANPA provide the FCC (or the appropriate regulatory authority) with a brief but concise description of the condition. However, in this situation, the NANPA shall not withhold the assignment of the resource.

**NANC Audits Progress Report in response to paragraph 90 in the FCC NPRM
CC Docket No. 99-200 on Number Resource Optimization.**

Past Activity Summary

The NANC began discussions of service provider audits in October 1997 and directed the NANPA Working Group (WG) in a letter dated November 7, 1997 to investigate audits of the administrator and of service providers that are specified by industry practice or by FCC Order. The WG was directed by NANC to review these audit requirements to ensure the audit process is both efficient and effective. The WG then began drafting an Audit Framework document to address the NANC assigned task. Work on this document by the NANPA Working Group progressed until it was disbanded in June 1998.

In July 1998 the newly formed NANPA Oversight Working Group (NO-WG) was tasked with completing the audit framework recommendation started by the NANPA Working Group. The NO-WG created a special task group to focus solely on completing the Audit Framework document. This task force presented an initial agreement on the focus of an audit to the NANC in November 1998. This "agreement reached" supported by the NANC, stated that audits will not result in discriminatory auditing practices either by resource, service provider or technology.

In addition the NO-WG was directed by NANC to specifically focus on what audit requirements are needed to complete the Pooling Administrator Requirements Document in preparation for a bid proposal by NANPA. In December 1998 the NO-WG tabled the audit framework document to focus solely on pooling audit requirements, this work was completed and inserted into the INC Pooling Administrator Requirements document in January 1999. The NO-WG is planning to complete its work on an audit framework document and then specifying the detailed audits necessary to audit the NANPA, which will be put out for bid. The INC will be modifying its existing numbering administrative guidelines to incorporate the concepts within the framework document.

The NANC Steering Committee began discussing the audit responsibilities that NANPA is required to perform under its current contract and concluded that NANPA does have an audit obligation under its contract and existing industry guidelines. NANPA was requested at the December 1998 Steering Committee meeting to draft an audit proposal for discussion at the January 1999 NANC meeting.

NANPA presented its audit work plan to the NANC Steering Committee and then to the NANC. This plan called for NANPA to conduct CO Code audits, which called for NANPA to perform verification functions on data contained in the CO Code application. The NANPA also stated that they would begin verification of the code holder/service provider contact lists to ensure that they were up-to-date. After much discussion the NANC created a small Steering Committee Subcommittee to draft an interim audit process that provided details on the scope and frequency for CO Code audits. This interim proposal was to be used by the NANPA until the final recommendation was completed by the NO-WG and accepted by the NANC.

In February 1999 the Steering Committee Interim Audits Task Force submitted a recommendation for an interim CO Code audit process. This proposal also included a request for a trial to ensure that all the relevant and necessary CO Code resource elements were identified and contained within the audit practice. NANC also reviewed the Interim Audit proposal, accepted the Steering Group interim audit recommendation and directed the NANPA to begin an audit trial. Bell Atlantic volunteered to participate in the audit trial. This trial was begun on March 1999, and concluded in April 1999. The final results of this trial will be distributed to the NANC in August 1999.

In May of 1999 the NANC received a letter from the NANPA regarding the scope of its current and future audit responsibilities. The NANC then created an Audits Issue Management Group (IMG) to investigate and draft a response for discussion at the June 1999 NANC meeting.

The IMG reinforced the NANC's previous finding that NANPA does have an existing obligation to perform "for cause" audits of any and all data contained within a CO Code application. The IMG further recommended that a professional auditor be selected through a competitive bidding process. The NANC accepted these recommendations and directed the IMG to work with NANPA to finalize the scope of its CO Code audit responsibilities.

Current Activity Summary

Results of the NANPA/Bell Atlantic Interim audit trial will be presented to the NANC at its September 1999 meeting. The objective of this report is to provide feedback on the interim audit process and to recommend improvements that can be adopted to modify the current interim audit process.

The NO-WG is anticipating that the audits framework document will be completed and presented to the NANC in August 1999. The NO-WG also agreed to being work drafting the NANC Auditor Requirements document once the audits framework has been completed and accepted by NANC. The NO-WG Co-Chair also submitted an Issue Statement to INC requesting a new workshop be created to accept the NANC audits recommendation.

The Audit IMG is meeting with NANPA to finalize its CO Code audit scope and responsibilities. This recommendation is to be completed for presentation to August 1999 NANC meeting.

The INC accepted the NO-WG Audits Issue Statement, and created an Audits Workshop. The Audits Workshop has scheduled time at the September 1999 INC meeting in anticipation of receipt of the NANCs audit framework document.